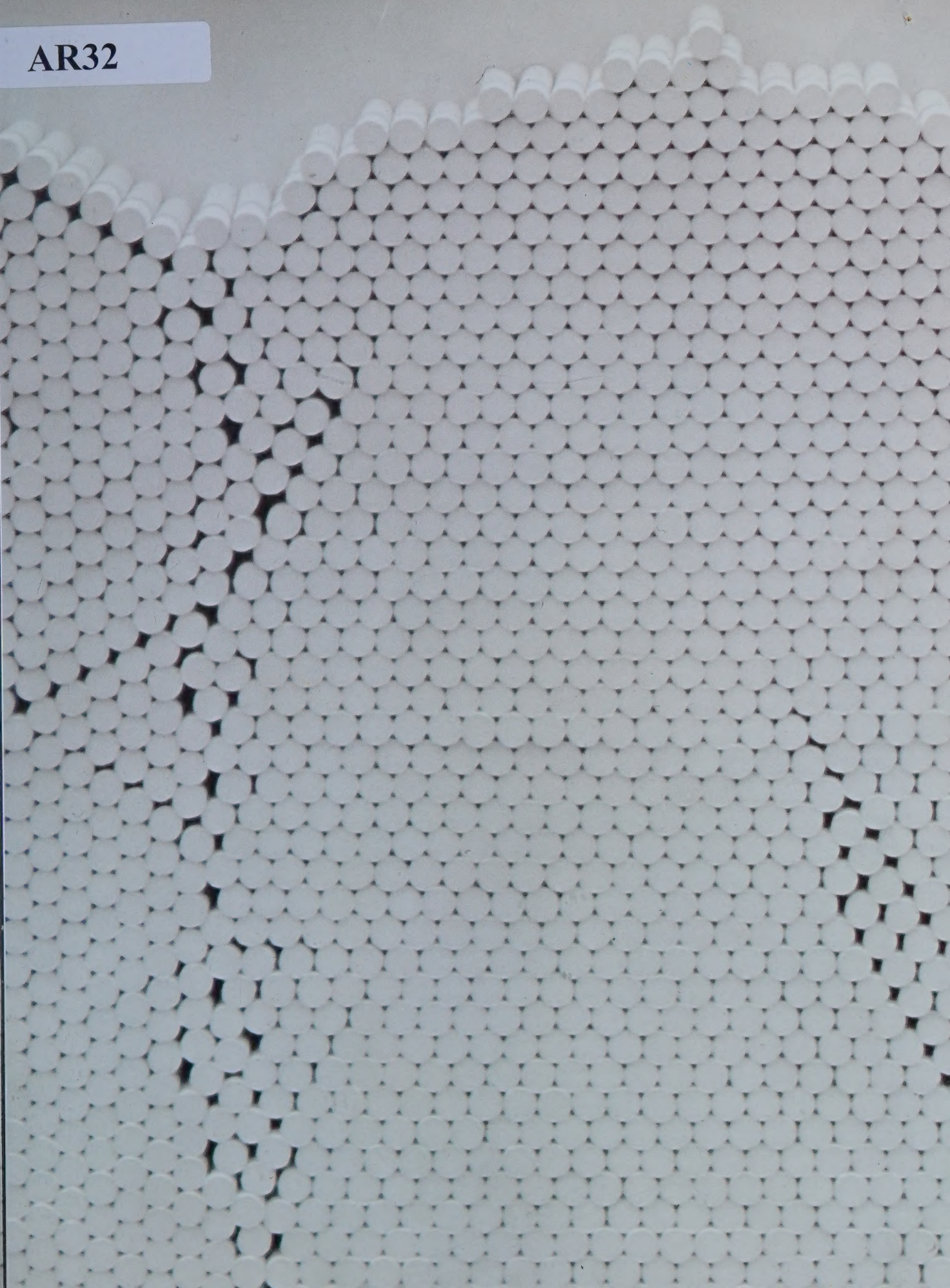


AR32









# Benson & Hedges (Canada) Limited

## Annual Report 1974



Highlights	1974	1973	% Change
Sales	<b>\$173,078,000</b>	\$170,389,000	+ 1.6
Earnings Before Extraordinary Item	<b>3,619,000</b>	3,255,000	+ 11.2
Net Earnings	<b>3,696,000</b>	3,255,000	+ 13.5
Working Capital	<b>8,512,000</b>	6,519,000	+ 30.6
Total Assets	<b>85,091,000</b>	81,701,000	+ 4.1
Shareholders' Equity	<b>32,432,000</b>	28,736,000	+ 12.9

99.6% the common shares  
 of Philip Morris Inc.

of New York

## Review of the Year



R. W. Murray  
President

Consolidated sales and earnings at Benson & Hedges (Canada) Limited reached record levels in 1974. Consolidated sales were \$173,078,000 of which \$10,091,000 was attributable to brewing operations and \$162,987,000 to tobacco and retail activities. Consolidated sales for 1974 included Formosa Spring Brewery for the seven-month period, January through July, and Benson & Hedges Tobacco Company and B & H Retail Limited for the entire year.

Although consolidated sales rose 1.6% in 1974 over 1973, sales from tobacco and retail operations were up 8.7%. Net earnings for 1974 were \$3,696,000, an increase of 13.5% over the \$3,255,000 reported for 1973. The Company's 1974 earnings performance was especially gratifying in view of continued cost increases for leaf tobacco, labour, and packaging materials.

During 1974, a decision was made to dispose of the Formosa Spring Brewery. Although Formosa achieved considerable success in increasing its share of market in Ontario, the impact of existing and projected brewing costs on current and future profit margins made a satisfactory return on investment in the foreseeable future quite doubtful. We, therefore, came to the conclusion that our investment interests would be better served by devoting our resources to endeavours affording a more immediate return on investment.

The sale of the Formosa Spring Brewery to The Molson Companies Limited was effective August 1, 1974. After adjustment for the tax consequences of the transaction, the sale resulted in a small gain.

An important consideration in the change of ownership was the interest of the Brewery employees who had served us so well for several years. I am pleased to report that all of the production employees and many of the sales force were given the opportunity to remain under the employ of the new owners.



### **Tobacco Operations**

Benson & Hedges' success has been based on marketing expertise in the sale of tobacco products. The Company's continued growth from 1965 to 1974 is best illustrated by the increase in our share of industry cigarette sales which has risen from 8.4% to over 14% during this period.

During 1974, Benson & Hedges' cigarette sales totalled 8.1 billion units, up 3.9% over last year. Our high filtration brands, Viscount and Belmont, registered the greatest percentage gains for the Company. Combined 1974 sales for these two brands were 42% above 1973. This increase was accomplished without major promotional support. The Benson & Hedges 100's brand continued to show strong growth and remained the leading brand in the 100 mm segment.

Successful advertising themes and sales promotions have been instrumental in increasing sales of our brands. The "Beautiful Blue" advertising theme for Belvedere and Benson & Hedges 100's "The Longer the Better" slogan with its humorous visual graphics are two notable examples. A major promotion built around skiing has been developed for Benson & Hedges 100's. Mark Ten promotional activities focused on snowmobiling and outdoor recreation.

Prices for flue-cured tobacco rose once again in 1974. Average prices for the 1974 crop are expected to be about 13 cents higher than the 79 cents per pound paid for the 1973 crop. Growers, at the close of the year, indicated that higher prices would be sought in the near future. If cost increases for labour and materials, as well as leaf tobacco, continue during 1975, an increase in the price of finished products will be necessary.

### **Community Concerns**

An essential element of Benson & Hedges' brand promotions is the Company's involvement in community affairs where programs for development of brand recognition have been successfully tailored to popular local activities. In sports, the Benson & Hedges International Professional Ski Races were held in Collingwood, Ontario and the City of Montreal. Professional skiing stars from several countries were brought to Canada by Benson & Hedges for these races.

Snowmobiling is a recreational pursuit popular with a large number of Canadians. The Mark Ten brand provides support to organizations active in promoting family touring, racing and safe operation of these vehicles. We believe that these programs provide a valuable service to the community while contributing to brand recognition. In addition to sporting activities, many cultural and social endeavors are supported throughout the year by brand promotions and by direct charitable contributions.

### **Retail Operations**

Total sales for our retail chain of tobaccoconist stores were \$2,300,000 in 1974 as compared to \$1,100,000 in 1973.

From nine outlets in 1973, this chain grew to 23 stores by the end of 1974. The long term outlook for retail sales of tobacco and associated sundries such as pipes, lighters, and cigars through Benson & Hedges' retail outlets is good, and additional new outlets will be opened in 1975.

### **Human Resources**

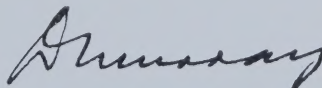
Our Company is as strong as the people who serve it. With this thought in mind, programs are continually being developed to encourage growth and advancement of employees from within. Benson & Hedges was the first in our industry to employ women in its sales force. Training programs are regularly refined and expanded to promote maximum performance.

### **Smoking and Health**

Benson & Hedges, in cooperation with other Canadian cigarette manufacturers, continued its support of medical research in relation to smoking and health through the Canadian Tobacco Manufacturers' Council.

There continues to be debate in scientific circles about the interpretation of the statistical evidence which has been the principal basis for the assertion that cigarette smoking is a major cause of cancer and other human diseases. During 1974, a prominent British scientist who once accepted the view that most cases of lung cancer were caused by cigarette smoking published an article in a British scientific journal in which he reexamined the data and reversed his original stand. A United States professor reported evidence that the tendency of doctors to examine smokers more thoroughly than non-smokers for evidence of lung cancer could explain the seemingly high association between smoking and the disease; he suggested a reappraisal of some of the statistical reasoning that has been used to form causal conclusions about smoking.

It is a pleasure for me, as your newly appointed President, to add a personal note to this report. With just a few months in office, I have been fortunate to meet many of those in our Company who daily contribute to our growth and stature. I am proud to be associated with these individuals and have great respect for their past accomplishments. I am confident that the future progress of the Company is assured by their continued support.



R. W. Murray  
President



# Benson & Hedges Tobacco Operations

## Benson & Hedges in Canada

When Richard Benson and William Hedges began the manufacture of cigarettes and tobacco products in England in 1873, smoking was a popular and well-entrenched custom in Europe. However, the practice had originated with the North American Indian, and tobacco was already an established crop in Southern Ontario when Samuel de Champlain sailed up the St. Lawrence River in 1615.

Benson & Hedges' operations in Canada began in the first decade of this century in a small prestige store on Montreal's St. James Street. The new Company's business quickly flourished with the sale of imported premium cigars, cigarettes and pipe tobaccos, and a small factory was established nearby to manufacture cigarettes of Turkish tobacco. In 1913, after moving to a larger factory, Benson & Hedges acquired its first cigarette-making machine, and the sale of Canadian made cigarettes became an increasing segment of the Company's business.

During World War I, business boomed. Exports to Canadian soldiers in Europe taxed production capacity, and domestic demand increased substantially. The sales force grew, and branch offices were opened in Halifax, Toronto, Winnipeg, and Vancouver.

The present character of the Canadian cigarette industry began to emerge after the War. More sophisticated making machines made possible the production of lower priced cigarettes whose sales swiftly overtook cigars and prestige hand-rolled cigarettes made from exotic foreign tobaccos. This development was assisted in the early twenties by the successful introduction of plentiful Ontario flue-cured tobacco into cigarette tobacco blends.

In 1917, Benson & Hedges in London obtained a Dominion Charter for its Montreal branch, and the Company assumed its present name, Benson & Hedges (Canada) Limited. In the mid-twenties, the London Company sold its interest in Benson & Hedges (Canada) Limited, and the new owner, A. Gaston Munich, concentrated on expanding his Company's cigarette business as the industry's cigar sales declined throughout the Depression years.

Benson & Hedges (Canada) Limited merged with the Philip Morris Group in 1958. In 1961, the Company's modern Brampton, Ontario cigarette manufacturing facility was designed and constructed. The Company, as we know it today, took shape one year later as Benson & Hedges expanded its cigarette manufacturing and distribution in the Province of Quebec through a merger with Canadian Tabacofina Limited.

## Tobacco Agriculture

Canadian tobaccos are among the finest in the world. The production and sale of tobacco and tobacco products in Canada has become a major national industry, with cigarettes alone contributing approximately \$875 million in federal and provincial taxes in 1974.

All Ontario tobacco is sold through the Ontario Flue-Cured Tobacco Growers' Marketing Board. The province's three auctions are held in Aylmer, Tillsonburg and Delhi from October through April. These markets handle more than 85% of Canada's requirements. Tobacco farmers in Quebec and the Maritime provinces sell directly to company buyers.

## Harvesting Tobacco



## Tobacco Bales For Auction



## The Delhi Stemmer





After a farmer delivers his bales of tobacco to one of the Ontario auction markets, the tobacco is sorted and graded according to the position of the tobacco leaf on the plant, its color, and its quality. When company buyers have completed their evaluation of the leaf for sale, the bidding begins.

### Stemmary Operations

Benson & Hedges' stemming facilities are located at Delhi, Ontario. At the stemmary, bundles of tobacco leaf purchased at the auctions are put through a process that removes the stem from the leaf. This process, formerly carried out by hand, is now done by modern threshing machines. The threshed tobacco leaf is then graded and stored in boxes for a mellowing period that lasts from one to two years.

After aging, the processed tobacco, packed in 450 pound cases, is transported by truck to the Company's manufacturing plants in Brampton and Montreal.

The Delhi stemmary stands on 33 acres of land and has 11 acres of floor-space under roof, including 8½ acres of warehousing space with a storage-capacity of 50 million pounds of processed tobacco leaf.

### Manufacturing

The Company's cigarette manufacturing facilities are located in Brampton, Ontario and Montreal, Quebec. The Brampton plant, situated close to Toronto, was designed and built to occupy 60,000 sq. ft. The plant now has been more than doubled in size to 150,000 sq. ft. to provide additional manufacturing capacity to meet sales demand.

The plant normally manufactures 21 million cigarettes a day using the latest high speed production machinery. It has a maximum production capacity of 6 billion cigarettes a year.

The cigarette brands manufactured at this plant include the well-known Benson & Hedges 100's, Alpine, Mark Ten King Size (Plain and Filter), Belvedere King Size and the Viscount and Belmont high filtration cigarettes.

The Royalmount plant, located in a suburb of Montreal, also employs the latest cigarette making and packing machines. Royalmount's production capacity is equal to the Brampton plant.

Fine cut tobacco in the amount of 150,000 pounds per month is prepared at Royalmount for people who prefer to roll their own cigarettes. Benson & Hedges' cigarette brands manufactured at this plant include Belvedere Regular and King Size, Mark Ten Regular (Filter), Mark Ten King Size (Filter), and Mark Ten Regular (Plain).

### Quality control

Although quality control operations are carried out at both plants, the Company's centre for Research and Development is located at Royalmount. Research and Development has the responsibility for the development and evaluation of new manufacturing, testing and quality control procedures, new product development and consumer panel testing.

Benson & Hedges maintains the highest standards of quality control in the production of its premium cigarettes. This tradition of consistent high quality has helped maintain the wide-spread popular acceptance of Benson & Hedges' products.

**Brampton Plant**



**Royalmount Plant**



**Quality Control**







## Lowest in 'tar' and nicotine

of all Canadian King Size cigarettes:

5 mg. 'tar'  
0.5 mg. nicotine



The exclusive Polyvent® Filter System delivers low 'tar' and nicotine. Try Viscount. You get a lot more flavour than you'd expect.



**Viscount**  
Canada's Mildest Cigarette

Like Benson & Hedges...  
the longer the better.



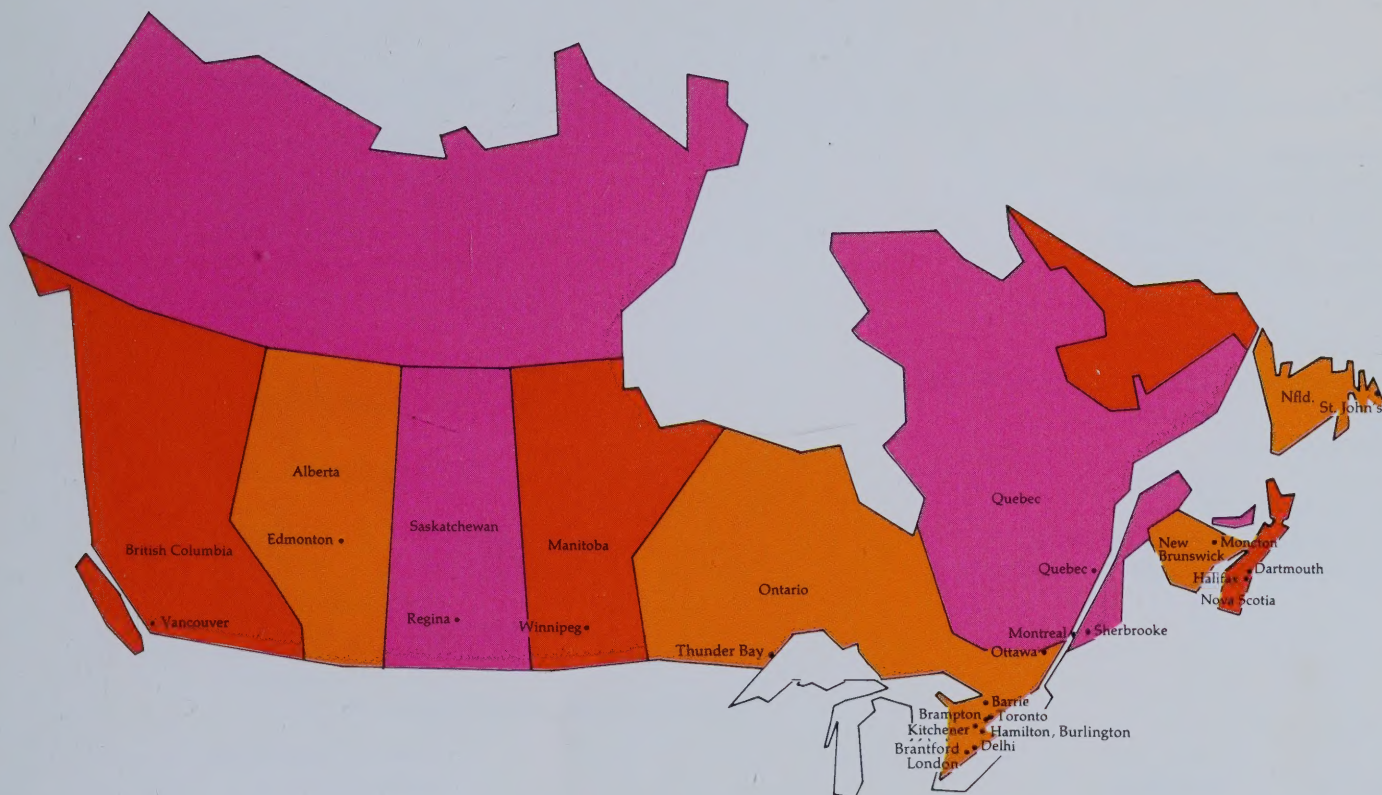
Why settle for short cigarettes?





# Benson & Hedges (Canada) Limited

## Locations



### Head Office

Suite 800,  
Place du Canada,  
Montreal, Quebec

### Tobacco Operations

#### Regional Offices

Halifax, Nova Scotia  
Toronto, Ontario  
Montreal, Quebec  
Edmonton, Alberta

### Branch Offices

St. John's, Newfoundland  
Halifax, Nova Scotia  
Moncton, New Brunswick  
Sherbrooke, Quebec  
Quebec City, Quebec  
Montreal, Quebec  
Ottawa, Ontario  
Toronto, Ontario  
London, Ontario  
Winnipeg, Manitoba  
Regina, Saskatchewan  
Edmonton, Alberta  
Vancouver, British Columbia

### Factories

Montreal, Quebec  
Brampton, Ontario  
Delhi, Ontario

### Warehouses

St. John's, Newfoundland  
Moncton, New Brunswick  
Quebec City, Quebec  
Montreal, Quebec  
Toronto, Ontario  
Winnipeg, Manitoba  
Edmonton, Alberta  
Vancouver, British Columbia

### Retail Operations

Head Office  
Suite 1400  
60 Bloor Street West  
Toronto, Ontario

### Stores

Dartmouth, Nova Scotia  
Moncton, New Brunswick  
Quebec City, Quebec (4)  
Montreal, Quebec (5)  
Ottawa, Ontario  
Toronto, Ontario (4)  
Barrie, Ontario  
Brantford, Ontario  
Burlington, Ontario  
Hamilton, Ontario (2)  
Kitchener, Ontario  
Thunder Bay, Ontario




# Consolidated Balance Sheet as at December 31, 1974

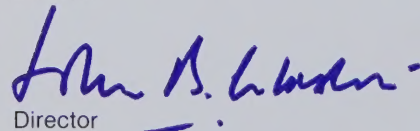
Benson & Hedges (Canada) Limited and Subsidiary Company

Assets	1974	1973
<b>Current Assets</b>		
Note receivable—current portion	\$ 1,536,000	—
Accounts receivable	10,866,000	\$13,134,000
Inventories—(note 1)	34,571,000	30,233,000
Prepaid expenses	320,000	567,000
	<u>47,293,000</u>	<u>43,934,000</u>
<b>Note Receivable</b> —less current portion (note 5(a))	<u>21,505,000</u>	<u>—</u>
<b>Investment</b> —at cost	<u>—</u>	<u>911,000</u>
<b>Fixed Assets</b> (note 2)		
Land, buildings and equipment—at cost	25,284,000	46,714,000
Accumulated depreciation and amortization	<u>8,991,000</u>	<u>9,858,000</u>
	<u>16,293,000</u>	<u>36,856,000</u>
	<u>\$85,091,000</u>	<u>\$81,701,000</u>

Signed on behalf of the Board



Director



Director





Liabilities	1974	1973
<b>Current Liabilities</b>		
Bank indebtedness	\$22,174,000	\$24,824,000
Notes payable	3,000,000	2,000,000
Accounts payable and accrued liabilities	10,625,000	11,184,000
Accounts payable to affiliated companies	117,000	79,000
Income taxes payable (recoverable)	2,865,000	(672,000)
	<u>38,781,000</u>	<u>37,415,000</u>
<b>Long-Term Debt</b> (note 3)	9,985,000	9,985,000
<b>Deferred Income Taxes</b>	<u>3,893,000</u>	<u>5,565,000</u>
	<u>52,659,000</u>	<u>52,965,000</u>
<b>Shareholders' Equity</b>		
<b>Capital Stock</b>		
Authorized— 6,000,000 shares without nominal or par value		
Issued and fully paid— 4,068,528 shares	20,343,000	20,343,000
<b>Retained Earnings</b>	<u>12,089,000</u>	<u>8,393,000</u>
	<u>32,432,000</u>	<u>28,736,000</u>
	<u>\$85,091,000</u>	<u>\$81,701,000</u>



# Consolidated Statement of Earnings

Benson & Hedges (Canada) Limited and Subsidiary Company  
 For the year ended December 31, 1974

	1974	1973
<b>Sales</b> (note 4)	<b>\$173,078,000</b>	\$170,389,000
Less: Excise and sales taxes	<b>98,060,000</b>	97,748,000
	<b>75,018,000</b>	72,641,000
<b>Costs</b>		
Manufacturing, distributing, selling, general and administrative	<b>63,919,000</b>	62,303,000
Depreciation	<b>2,393,000</b>	2,309,000
Interest on long-term debt	<b>600,000</b>	600,000
Other interest—net	<b>1,544,000</b>	1,507,000
	<b>68,456,000</b>	66,719,000
	<b>6,562,000</b>	5,922,000
<b>Provision for Income Taxes</b>	<b>2,943,000</b>	2,667,000
<b>Earnings Before Extraordinary Item</b>	<b>3,619,000</b>	3,255,000
<b>Extraordinary Item</b>		
Gain on sale of a Division (note 5)	<b>77,000</b>	—
<b>Net Earnings for the Year</b>	<b>\$ 3,696,000</b>	\$ 3,255,000

# Consolidated Statement of Retained Earnings

Benson & Hedges (Canada) Limited and Subsidiary Company  
 For the year ended December 31, 1974

	1974	1973
<b>Balance—Beginning of Year</b>	<b>\$ 8,393,000</b>	\$5,138,000
Net earnings for the year	<b>3,696,000</b>	3,255,000
<b>Balance—End of Year</b>	<b>\$12,089,000</b>	\$8,393,000



# Consolidated Statement of Changes in Financial Position

Benson & Hedges (Canada) Limited and Subsidiary Company  
For the year ended December 31, 1974



	1974	1973
<b>Source of Working Capital</b>		
Earnings before extraordinary item	<b>\$3,619,000</b>	\$3,255,000
Add (deduct) items not affecting working capital:		
Depreciation and amortization of fixed assets	<b>2,393,000</b>	2,309,000
Deferred income taxes	<b>(547,000)</b>	2,405,000
Provided from operations	<b>5,465,000</b>	7,969,000
Disposal of fixed assets—net	<b>53,000</b>	112,000
Net increase in working capital on sale of a Division (note 5(c))	<b>400,000</b>	—
	<b>5,918,000</b>	8,081,000
<b>Use of Working Capital</b>		
Additions to fixed assets	<b>3,925,000</b>	9,524,000
Other investment	<b>—</b>	1,000
	<b>3,925,000</b>	9,525,000
Increase (Decrease) in Working Capital	<b>1,993,000</b>	(1,444,000)
Working Capital—Beginning of Year	<b>6,519,000</b>	7,963,000
Working Capital—End of Year	<b>\$8,512,000</b>	\$6,519,000



# Notes to Consolidated Financial Statements

Benson & Hedges (Canada) Limited and Subsidiary Company  
For the year ended December 31, 1974



## 1. Summary of Accounting Policies

The significant accounting policies followed by Benson & Hedges (Canada) Limited and subsidiary company are presented below to assist the reader in reviewing the Consolidated Financial Statements and other data contained in this report. These policies comply with generally accepted accounting principles and have been consistently applied.

### A. Consolidation

The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiary B & H Retail Limited.

### B. Receivables

Current earnings are charged and an allowance is credited with a provision for doubtful accounts based on experience and on any unusual circumstances which may affect the ability of customers to meet their obligations. Accounts deemed uncollectible are charged against this allowance. Receivables are reported in the Balance Sheet net of such accumulated allowances.

### C. Inventories

Inventories are valued at the lower of cost or net realizable value. The cost of Leaf Tobacco is determined on an average cost

basis, and the cost of other inventories is determined generally on a first-in, first-out basis. It is generally recognized industry practice to classify the total amount of Leaf Tobacco as a current asset although part of such inventory, because of the duration of the ageing process, ordinarily would not be utilized within one year.

### D. Income Taxes

The provision for income taxes is calculated on reported pre-tax earnings. Certain expense items included in the Financial Statements, such as depreciation, are claimed in different years for tax purposes in accordance with applicable income tax laws. The resulting difference between the Financial Statement income tax provision and income taxes currently payable is reported in the Financial Statements as deferred income taxes.

### E. Fixed Assets

Maintenance and repairs are charged to income and expenditures for renewals, and improvements are capitalized. Provision for depreciation of assets is recorded by a charge against income at rates considered adequate to amortize the cost of such assets over their useful lives using the straight line method of computation.

## 2. Fixed Assets

	1974		1973	
	Cost	Accumulated depreciation	Net	Net
Land	\$ 828,000	\$	\$ 828,000	\$ 1,174,000
Land improvements	70,000	27,000	43,000	940,000
Buildings	6,287,000	2,007,000	4,280,000	10,863,000
Machinery and equipment	14,027,000	6,011,000	8,016,000	16,158,000
Furniture, fixtures and data processing equipment	845,000	403,000	442,000	602,000
Automobiles and trucks	243,000	113,000	130,000	804,000
Leasehold improvements	1,079,000	430,000	649,000	533,000
Construction and machinery installation in process	1,905,000		1,905,000	5,782,000
	<u>\$25,284,000</u>	<u>\$8,991,000</u>	<u>\$16,293,000</u>	<u>\$36,856,000</u>

## 3. Long-Term Debt

Long-term debt consists of:

	1974	1973
Loan from parent company— 6% note repayable on December 31, 1978 (U.S. \$10,000,000)	\$9,985,000	\$9,985,000

## 4. Sales

Gross sales of \$173,078,000 in 1974 include \$10,091,000 attributable to brewing operations to August 1, 1974, the date of the sale of the Division, and \$162,987,000 from tobacco operations. In 1973 gross sales of \$170,389,000 include \$20,513,000 attributable to brewing operations and \$149,876,000 from tobacco operations.

## 5. Sale of a Division

(a) On August 1, 1974, the Company sold the assets of its Formosa Spring Brewery Division for a consideration of \$4,729,448 in cash for the current assets and a \$23,041,389 9% fifteen year note receivable for the net fixed and other assets. The note receivable is due to the Company in fifteen equal annual instalments beginning August 1, 1975.

(b) The extraordinary gain on disposal of the Division consisted of:

Loss on disposal	\$1,051,000
Less: Applicable income taxes recoverable of \$1,128,000 including deferred income taxes of \$1,125,000	1,128,000
Extraordinary gain	<u>\$ 77,000</u>

(c) The net increase in working capital on the disposal of the Division consisted of:

Disposal of fixed assets	\$22,042,000
Disposal of other investment	911,000
	<u>22,953,000</u>
Extraordinary gain	\$77,000
Less: Applicable deferred income taxes	1,125,000
	<u>1,048,000</u>

Note receivable less current portion	21,505,000	22,553,000
Net increase in working capital		<u>\$ 400,000</u>

## 6. Remuneration of Directors and Officers

The directors of the Company numbered thirteen as at December 31, 1974 (1973—thirteen), and their remuneration as directors was \$21,000 during the year (1973—\$21,000). Four of the Company's directors are also officers of the Company (1973—four). The officers of the Company numbered eight (1973—seven) during the year, and their aggregate remuneration was \$326,000 (1973—\$334,000).

## 7. Contingent Liabilities

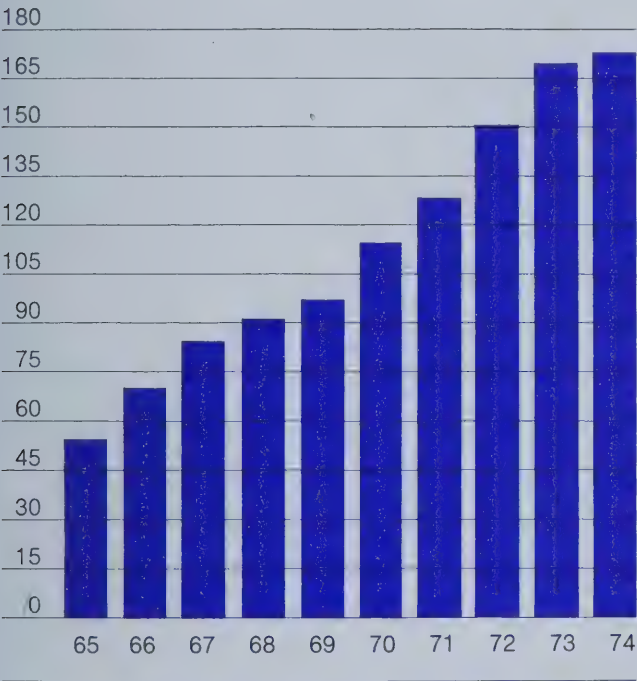
During 1974, the Company instituted legal action against a supplier to recover the cost of defective materials delivered in prior years to the Formosa Spring Brewery Division in the amount of \$536,121. This action is being defended by the supplier, and the supplier has made a counter claim for damages in the amount of \$1,404,000. This counter claim has been denied and, with the advice of counsel, is being vigorously contested. Accordingly, no provision or adjustment has been made in the Financial Statements.



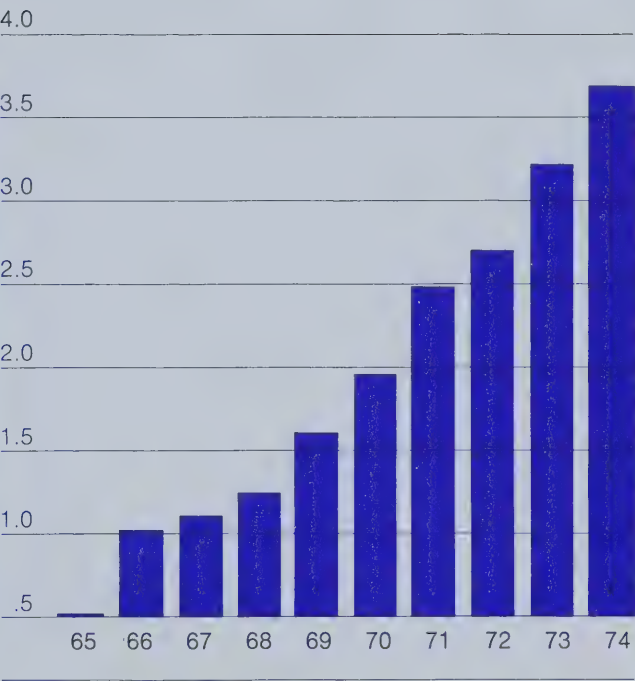
# Benson & Hedges (Canada) Limited

For the year ended December 31, 1974

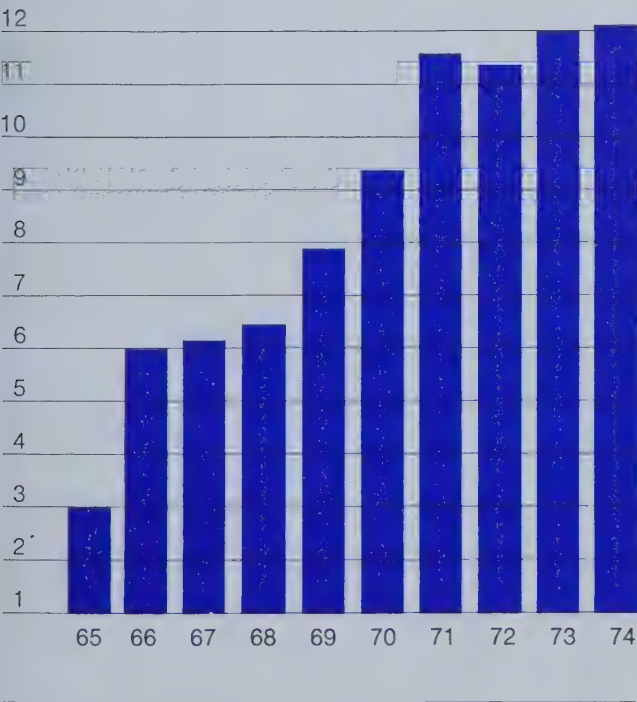
**Sales**  
Millions of Dollars



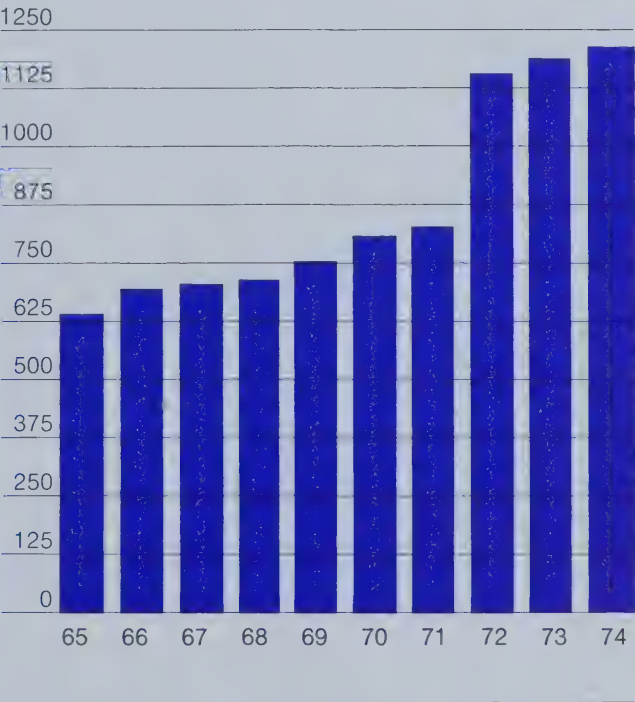
**Net Earnings**  
Millions of Dollars



**After-Tax Return on Shareholders' Equity**  
Percentage



**Employees**  
(excluding Formosa Spring Brewery)







## Auditors' Report To The Shareholders

We have examined the consolidated balance sheet of Benson & Hedges (Canada) Limited and subsidiary company as at December 31, 1974 and the related consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1974 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Coopers & Lybrand  
Chartered Accountants, Montreal  
January 10, 1975

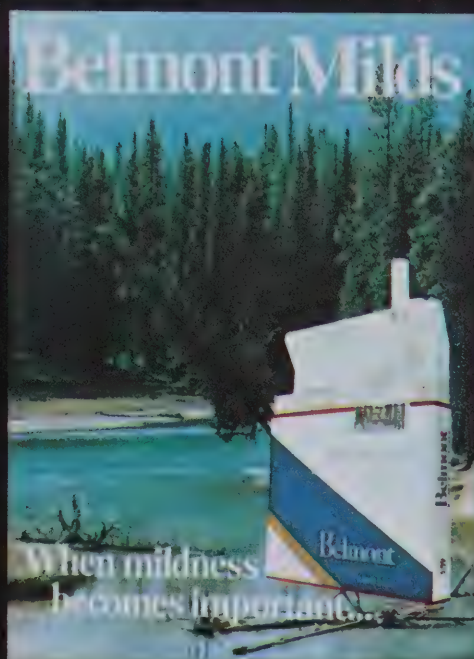




Une Mark Ten  
...ça contente.



Belmont Milds





# Benson & Hedges Retail Operations



An old Company tradition of offering prestige products for sale in elegant surroundings is continued in Benson & Hedges' retail stores. The first retail shop was opened by Benson & Hedges in London in 1873, followed by New York in 1895 and Montreal in 1906.

Since 1971 when the Company's flagship store opened on Bloor Street, Toronto, B & H Retail has launched 22 new stores in cities and towns across Canada. In addition to domestic brand names, high quality cigarettes, cigars, pipe tobaccos, and snuff imported from countries around the world are sold in the retail stores.



# Promotional Activities

Benson & Hedges brands continue to support a variety of sports and community activities. During the past year, a large number of sports-oriented promotions were sponsored by various brands to build brand image and awareness.



- 1 The 1974 Benson & Hedges Pro Ski Classic held in Collingwood, Ontario and Montreal, Quebec received national press coverage.
- 2 Belvedere International Water Skiing Championship in Ottawa and Long Pond (Toronto), Ontario.
- 3 St. Tite Rodeo Festival, one of the two largest rodeos held annually in Canada. This week-long event in St. Tite, Quebec is sponsored by Mark Ten.
- 4 Mark Ten Championship Snowmobile races are organized by provincial snowmobile racing associations and sponsored by Mark Ten.





## Benson & Hedges and the Community



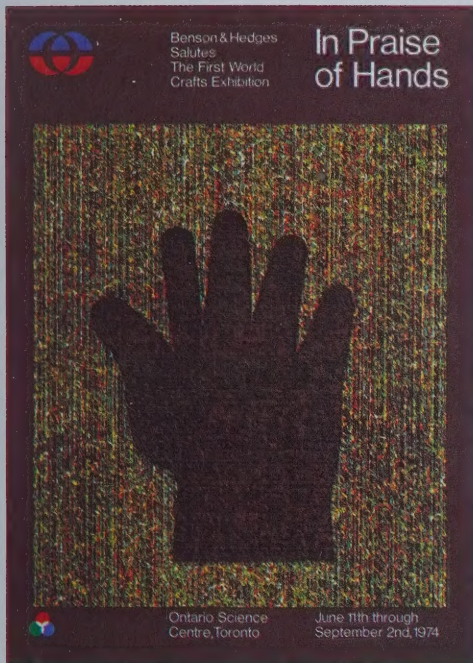
Benson & Hedges salespeople cover Canada from coast to coast calling on retailers and distributors. The Company's dynamic sales program requires aggressive, imaginative and persuasive individuals who can provide customers with extensive sales promotional and point of sale support. Sales training programs, therefore, are structured to maximize personal growth and advancement.



There were once thousands of cigar store Indians throughout North America used to identify stores selling tobacco products. These replicas of the North American Indian who pioneered the use of tobacco are now rare and prized antiques.

One such carving was donated in 1974 by Benson & Hedges to the Tobacco Museum recently established at Delhi, Ontario. The figure, that of an Iroquois chief, 5'7" high, dates from 1870 and is carved from pine and mounted on a gesso or plaster base.





In conjunction with the municipal, provincial and federal governments, Benson & Hedges sponsored the World Crafts Exhibition, "In Praise of Hands", organized by the World Crafts Council. This poster by Harold Town was commissioned by the Company to publicize the exhibition which, from June to September 1974, brought together craftsmen and their work from all over the world to Toronto.



In its second successful season, Benson & Hedges Street Theatre presented Commedia dell'Arte, originating in 15th century Italy, to thousands of Canadians in parks, shopping plazas, and other outdoor locations throughout Ontario last summer.





## Directors

H. Cullman  
Chairman of the Board  
President, Philip Morris International

P. Bienvenu  
Director  
Chairman of the Board of Directors  
Place Victoria-Jacques Cartier

R.F. Chisholm  
Director Emeritus  
Chairman of the Board of Directors  
William Mara Company Limited

J.B. Claxton, Q.C.,  
Director  
Partner, Lafleur & Brown

J.F. Cullman 3rd  
Director  
Chairman of the Board, Philip Morris Inc.

C.F. Lombard  
Director  
Vice President, New Development and Planning  
Philip Morris International

G.E. Mara  
Director  
President, William Mara Company Limited

R.W. Murray  
Director  
President, Benson & Hedges (Canada) Limited

O.Y. Primeau  
Director  
Vice President, Benson & Hedges (Canada) Limited

J.G. Pritchard  
Director  
Vice President, Benson & Hedges (Canada) Limited

M. Sauvé  
Director  
Vice President, Administration,  
Consolidated Bathurst Limited

W. Stevenson  
Director  
President, Millbrook Industries

A. Toledo  
Director  
President, Intercompany Management Limited

W.D. Whitaker  
Director  
President, W.D. Whitaker and Associates

## Officers

H. Cullman  
Chairman of the Board

R.W. Murray  
President

J.E. Broen  
Vice President

N. Janelle  
Vice President Finance,  
Secretary and Treasurer

O.Y. Primeau  
Vice President

J.G. Pritchard  
Vice President

D.K. Marshall  
Assistant Comptroller

G. Audet *G. Audet*  
Assistant Secretary

## Auditors

Coopers & Lybrand

## Bankers

The Royal Bank of Canada  
The Bank of Montreal

## Legal Counsel

Lafleur & Brown  
Miller, Thompson, Sedgewick, Lewis & Healy







